

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW MEXICO**

THE NAVAJO NATION, et al.	:	
	:	
Plaintiffs,	:	
	:	
v.	:	No. CIV 2012-00195 LH-WDS
	:	
URBAN OUTFITTERS, INC., et al.	:	
	:	
	:	
Defendants.	:	

**MOTION TO DISMISS THE AMENDED COMPLAINT AND
MEMORANDUM IN SUPPORT**

Defendants Urban Outfitters, Inc., UO.com, L.L.C., Urban Outfitters Wholesale, Inc., (the “Urban Outfitters Defendants”), Anthropologie, Inc., Anthropologie.com, L.L.C, (the “Anthropologie Defendants”), Free People of PA, L.L.C., and Freepeople.com L.L.C. (the “Free People Defendants”)(collectively the "UO Defendants" or “Defendants”) respectfully move the Court to dismiss the Amended Complaint filed in this civil action brought by The Navajo Nation, Diné Development Corporation, and Navajo Arts and Crafts Enterprise (the "Plaintiffs") because each Count fails to state a cause of action upon which relief can be granted. Opposing Counsel does not concur in this Motion.

Plaintiffs have amended their Complaint in this action in an attempt to cure the deficient factual allegations brought to light by the Motion to Dismiss filed April 30, 2012, Dkt. 16. The Amended Complaint remains fatally defective and should be dismissed.

The UO Defendants respectfully move this Court to dismiss Plaintiffs’ trademark infringement (Count I), dilution (Count II), and unfair competition (Count III) claims for failure to state a claim upon which relief can be granted because the Amended Complaint fails to allege facts with sufficient particularity showing unlawful “use” of the term “navajo.” The Lanham Act

does not prohibit the Defendants from using the term “navajo”¹ as a descriptor. The allegations of the Amended Complaint acknowledge, albeit indirectly, that the term “navajo” is today recognized as a descriptor for “Indian-styled” prints and designs that may include, among other things, “geometric prints.” See Amended Complaint Dkt. 30 at ¶¶ 31 and 37. It is indisputable that descriptive “uses” of the term “navajo” are not actionable. In a license agreement executed by Plaintiff Diné Development Corporation (“Diné”), which is relevant to this Motion to Dismiss because it was submitted to the U.S. Patent and Trademark Office (“USPTO”) in connection with the prosecution of Trademark Serial No. 76/700,672 to secure a registration upon which the Plaintiffs rely in the Amended Complaint, Dkt. 30 at ¶ 27, Diné affirmatively represented to the USPTO that “fair use” can be made of the Navajo name and that an example of “fair use” would include use of the phrase “Navajo Style Goods.” See **Ex. A.**² The accused “uses” of the term “Navajo” in this lawsuit describe a style or design -- as shown by a review of the Exhibits attached to the Amended Complaint – and, as such, all of the Lanham Act claims should be dismissed. See *Hygrade Food Products Corp. v. H.D. Lee Mercantile Co.*, 46 F.2d 771, 772-773 (10th Cir. 1931) (affirming motion to dismiss descriptive use of accused term).

To be clear, although the Plaintiffs allege the legal conclusion that the Defendants’ use of “Navajo” is trademark “use”, the factual allegations necessary to support that legal conclusion are presented solely in the Exhibits attached to the Amended Complaint, and they show “navajo” used as a descriptor. The term “navajo” is immediately followed by the term “Print” and/or is

¹ In the exhibits attached to the Amended Complaint, the UO Defendants only capitalize “Navajo” when every “first” letter of all the associated terms are capitalized.

² It is proper for the Court to consider the trademark file history on a motion to dismiss, as it does not present evidence outside the pleadings. Since the Plaintiffs refer to and rely on all of their trademark registrations and applications, see Amended Complaint Dkt 30 ¶ 27, the Court can review and rely on the file histories of those registrations as though they were incorporated by reference in the Complaint. See *Venture Assocs. Corp. v. Zenith Data Sys. Corp.*, 987 F.2d 429, 431-32 (7th Cir. 1993)(if plaintiffs refer to a document in a complaint and defendants supply it with a motion to dismiss, the court can rely on it as though it were incorporated by reference in the complaint); *Feinman v. Schulman, Berlin & Davis*, 677 F. Supp. 168, 170 n. 3 (S.D.N.Y. 1988)(same).

used in combination with well-known brands such as Obey, Lucca Couture, Pendleton and Woolrich. *See, e.g.*, Amended Complaint Ex. A, Dkt. 30-1 pp. 6, 14, 17, 23. Moreover, each of the Exhibits prominently shows one of the Defendants' (and/or a third-party's) trademark as the source of the item. None of the Exhibits show the term "navajo" enlarged or otherwise set apart from the other terms as is typically done with trademarks. The term "navajo" always appears in the location where descriptors reside. *See, e.g.*, Amended Complaint Ex. A, Dkt. 30-1, p. 14 ("Navajo Print Tank" Obey-branded top), p. 20 ("Techno Navajo Quilt Oversized Crop" Title Unknown-branded tee), p. 18 ("Red Navajo Plimsoll" sneaker). The mere legal conclusion that this is trademark "use" does not – and cannot – suffice given the contrary depictions of use shown in the Amended Complaint Exhibits. *See Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (barring the door to discovery for the plaintiff armed with nothing more than conclusions).³

In addition, the first three Counts of the Amended Complaint should be dismissed because the term "navajo", when used in connection with clothing and clothing accessories, is today recognized by the purchasing public as a generic descriptor of a category of "Indian-styled" prints and designs. *See generally* **Ex. B** (numerous Navajo fashion trend reports reporting on the popularity of "Navajo style"), **Ex. C** (showing numerous brands including Lucky Brand and Calvin Klein marketing "Navajo jeans" and other clothing), **Ex. D** (showing celebrity endorsements such as Nicole Richie in Isabel Marant "Navajo Jeans"), **Ex. E** (magazine report depicting the "boho Navajo trend"); **Ex. F** (third-party hangtags for "Navajo Blanket" shirt and "Navajo Seed Bead" bracelet). The term today is recognized as a generic

³ Plaintiffs attempt to "fix" the deficient factual allegations pled in the Complaint, Dkt. 1, in response to the legal arguments presented in the Motion to Dismiss, Dkt. 16. This efforts fails, however, to remedy the defective pleading. *Compare* Complaint Dkt. 1 at ¶ 41 *with* Amended Complaint Dkt. 30 at ¶ 45 (adding legal conclusion that "Urban Outfitters has not, and is not, using the term 'Navajo' descriptively because 'Navajo' means of or pertaining to the Navajo Nation") and *compare* Complaint Dkt. 1 at ¶ 41 *with* Amended Complaint Dkt. 30 ¶ 46 (adding legal conclusion that "Urban Outfitters is using the term 'Navajo' as a source identifier, i.e., a trademark."). The addition of mere legal conclusions does not cure the defective pleading. *See Ashcroft*, 556 U.S. at 679 (interpreting the pleading requirement to mean that legal conclusions must be supported by factual allegations).

descriptor, and thus Plaintiffs' federal trademark registrations are subject to cancellation, due in large part to Plaintiffs' failure to police public "use" of the mark. Although the Amended Complaint alleges in a conclusory manner that the Plaintiffs have policed the mark, *see* Amended Complaint Dkt. 30 ¶ 4, the single letter sent to Urban Outfitters, Inc. and the single registration cancellation proceeding identified in the Amended Complaint fail to show any sincere effort to police "use" of the mark.

The second Count of the Amended Complaint (dilution) also should be dismissed because the allegations fail to show that (1) "Navajo" is a "famous" trademark for any relevant product or service or (2) any action of any of the Defendants constitutes dilution. Despite the Plaintiffs' conclusory allegation of "long-standing use" of the "navajo" mark in connection with clothing, the trademark registrations on which Plaintiffs rely in this case claim "first use" dates for clothing of only 1995 and 2005. *See* Amended Complaint Dkt. 30-2 at pp. 10 (Registration No. 2237848 for clothing including tops and shirts) and 13 (Registration No. 2976666 for, *inter alia*, sweaters, jackets, and coats). Moreover, legal allegations that the phrase "Navajo Print Fabric Wrapped Flask" is derogatory and scandalous because flasks can be used to hold alcohol, *see* Amended Complaint Dkt. 30 at ¶ 63, are, again, legally deficient because the factual allegations -- as shown by the trademark registrations on which Plaintiffs rely in this case, *see* Amended Complaint Dkt. 30 ¶ 3, plainly show that the Plaintiffs, themselves, have registered and used the term "Navajo" for and on *shot glasses*, a product clearly linked in the minds of the public to alcohol consumption. *See Ex. G* for a representative sample of such registrations.

The Defendants also respectfully move to dismiss Count IV of the Amended Complaint alleging violations of the Indian Arts and Crafts Act, 25 U.S.C. § 305 *et seq.* ("IACA"). An essential element of the IACA is the pleading of factual allegations that show a "false

suggestion” that the accused products are Indian made, when they are not. Simply alleging the legal conclusion that the display of accused items falsely suggests that they are Indian made, *see* Amended Complaint Dkt. 30 ¶ 7, is inadequate. “A defendant cannot be liable under the IACA simply for making a product in an Indian style.” *See Native American Arts, Inc. v. Contract Specialties, Inc.*, 754 F. Supp.2d 386, 393 (D.R.I. 2010)(a defendant is not be liable under the IACA simply for making a product in an Indian style). None of the allegations purport to address how the accused packaging, advertising, labeling, or place of sale falsely suggest that the accused items are Native American Indian products. The threadbare recital that qualifiers are not used, *see* Amended Complaint Dkt. 30 ¶ 73, is also insufficient. Factual allegations must be included to support the Plaintiffs’ legal conclusions. *See Ashcroft*, 556 U.S. at 679. Yet, instead of pleading factual allegations, Plaintiffs inexplicably continue, as they did in the Complaint, Dkt. 1, to intentionally mislead all concerned by attaching to the Amended Complaint as Exhibit A (Dkt. 30-1 pp. 2 – 24) “cropped” Internet web pages that do not display the true appearance of the website pages on which Plaintiffs rely, and which conceal contextual product information, such as whether or not the product is an import from another country.

The UO Defendants also move to dismiss Count IV because the IACA does not preclude the sale by the Defendants of “contemporary clothing” or “contemporary clothing accessories” because they are neither “arts” nor “crafts” *See Native American Arts, Inc.*, 754 F. Supp.2d 386, 393 (D.R.I. 2010)(“the pertinent regulation provides, ‘the term “Indian product” means any *art* or *craft* product made by an Indian”)(emphasis added)(citing 25 U.S.C. § 305(e)(a)(2) and 25 C.F.R. § 309.2(d)(1)). The Plaintiffs are estopped from arguing otherwise. In order to overcome a trademark examiner’s objection on the precise grounds argued by the Plaintiffs to this Count -- namely that use of the term “Navajo” on clothing would violate the IACA -- and obtain federal

trademark registrations for the mark “Navajo” for “clothing” upon which Plaintiffs rely in this case, *see* Amended Complaint Dkt. 30 ¶ 54, the Navajo Nation correctly and successfully argued that use of the term “Navajo” on “clothing” would not violate the IACA because items of clothing are not “art works, crafts, or handicrafts.”⁴ *See* **Ex. H.**

The Defendants also move to dismiss Count V of the Amended Complaint, which alleges violation of the New Mexico Unfair Practices Act (“UPA”). To have standing to bring an action under the UPA, a plaintiff must be a consumer of the accused product not a competitor. *See Guidance Endodontics v. Dentsply Int’l, Inc.*, 708 F. Supp.2d 1209, 1256 (D.N.M. 2010) (holding that defendants lacked standing to bring a counterclaim under the UPA because they were not buyers of plaintiff’s dental products). Plaintiffs do not allege they are consumers. To the contrary, they allege that they are competitors. *See* Amended Complaint Dkt. 30 ¶¶ 2, 5, 8.

Finally, Count VI of the Amended Complaint for violation of §57-3B-15 of the New Mexico Trademark Act should be dismissed for failure to state a claim because the Plaintiffs fail to allege that “Navajo” is a famous mark in the State of New Mexico or that Defendants have used the term “Navajo” as anything other than a descriptor.

MEMORANDUM IN SUPPORT OF MOTION TO DISMISS THE AMENDED COMPLAINT

The UO Defendants respectfully submit the following memorandum in support of their Motion to Dismiss the Amended Complaint.

BACKGROUND TO THE DISPUTE

With no previous contact between the parties, Urban Outfitters, Inc. received a “cease and desist” letter from the Navajo Nation Department of Justice on or around October 16, 2011,

⁴ Should the Plaintiffs take a contrary position in any opposition to this Motion, the conclusion to be drawn is necessarily that Plaintiffs either knowingly made a false and material representation with an intent to deceive the USPTO (subjecting their registrations to cancellation) or that they are being less than forthcoming to Defendants and this Honorable Court. *See In Re Bose Corp.*, 580 F.3d 1240, 1245 (Fed. Cir. 2009)(articulating fraud standard).

demanding that Urban Outfitters, Inc. cease use of the term “Navajo.” A copy of the “cease and desist” letter is attached to the Amended Complaint as Exhibit B Dkt. 30-1 pp. 39-41. The cease and desist letter is dated June 30, 2011, but the letter, itself, was not sent to Urban Outfitters, Inc. until October 12, 2011. *See* **Ex. I** (copy of post-marked envelope attached here as Ex. 1 to the Declaration of Mr. Looram (Looram Decl.)). Although under no legal obligation to remove what were plainly lawful descriptive uses of the term, within a week of receipt of the letter, the term “navajo” was removed from the accused Internet web pages. To be clear, the term “navajo” was removed from the pages that are presently attached to the Amended Complaint at Exhibit A Dkt. 30-1 pp. 2 – 24, even though the Urban Outfitters Defendants were under no legal obligation to do so, for the express purpose of avoiding this dispute. On October 19, 2011, a representative from the Navajo Nation publicly acknowledged the removal in a press release and commended “The Urban Outfitters Corporation[]” for its “positive actions” and represented that it was “committed to avoiding unnecessary controversy and beneficially resolving matters[.]” *See* **Ex. I** (copy of press release attached as Ex. 2 to Looram Decl.).

The Navajo Nation was not heard from again until almost four months later when the Plaintiffs brought this action on February 28, 2012, against the Urban Outfitters Defendants, as well as against the Anthropologie Defendants and Free People Defendants, though no cease and desist letter or other notification had previously been sent to either the Anthropologie Defendants or Free People Defendants.⁵

⁵ The Defendants continue to investigate whether the Plaintiffs’ filing of the Complaint with this Court was proper. The Plaintiffs appear to have deliberately engaged in the disfavored practice of forum shopping. By creating the false impression through a public press release that an amicable solution had been reached in October of 2011, Plaintiffs (unbeknownst to the Defendants) were able to spend the next four months choosing a court in which to bring this suit, and then filed the Complaint in this Court without further communication. To the extent this case is not dismissed in its entirety, the Eastern District of Pennsylvania appears to be a more appropriate forum. Six of the seven named defendants are located in Philadelphia, PA, and the seventh is located in neighboring Wilmington, Delaware. Virtually all of the pertinent marketing personnel and documents are located in Pennsylvania. More importantly, it appears the subpoena power of the trial court may need to reach important third-party witnesses

Pursuant to stipulated extensions of time previously entered in this case, the Defendants (as then named in the Complaint) filed a Motion to Dismiss the Complaint. *See* Dkt. 16. In response, on May 21, 2012, Plaintiffs filed an Amended Complaint, *see* Dkt. 30, asserting new and revised legal allegations in an unsuccessful attempt to cure the deficiencies of the Complaint. Pursuant to a further stipulated extension of time entered in the case by this Court, *see* Dkt. 32, the UO Defendants herein file their responsive pleading.

ARGUMENT

I. LEGAL STANDARD

A pleading that states a claim for relief must contain a “statement of the claim showing that the pleader is entitled to relief.” *See* Fed. R. Civ. P. 8(a)(2). The federal pleading duty is far from trivial. Merely incanting labels, legal conclusions, and the formulaic elements of a cause of action will not be sufficient. *See Ashcroft*, 556 U.S. at 678-79; *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 555 (2007). A claim’s allegations must “possess enough heft” to show an entitlement to relief thus justifying that the costly process of litigation continue. *See Bell Atlantic Corp.*, 550 U.S. at 570. “While legal conclusions can provide the framework of a complaint, they must be supported by factual allegations.” *See Ashcroft*, 556 U.S. at 679. Moreover, pleaders must allege facts with sufficient particularity to move beyond the level of speculation. *Id.* The allegations may be insufficient when equivocal factual allegations are equally consistent with both culpable and innocent conduct. *See Ashcroft*, 556 U.S. at 678. In such cases, important factual material is omitted at the pleader’s peril. *See Bryson v. Gonzales*, 534 F.3d 1282, 1286 (10th Cir. 2008).

whose testimony is expected to be critical to the trial of this case to show that the “Vintage Navajo” items identified in the Amended Complaint are products made by artisans who identify as Navajo Indian ethnically, racially or culturally. Other third party suppliers also are located in Pennsylvania. The UO Defendants respectfully submit this Motion to Dismiss under a reservation of right to seek the transfer of this case to a more convenient forum.

II. THE AMENDED COMPLAINT FAILS TO STATE A CLAIM FOR FEDERAL TRADEMARK INFRINGEMENT (COUNT I), DILUTION (COUNT II), OR UNFAIR COMPETITION (III)

Plaintiffs' federal trademark infringement (Count I), dilution (Count II), and unfair competition (Count III) claims should be dismissed for any or all of the following reasons. *First and foremost*, an essential element of the three Lanham Act claims are factual allegations pled with particularity showing improper "use" of the term "navajo". None of the accused "uses" – either as alleged or shown in the Exhibits attached to the Amended Complaint – show improper "use." To the contrary, the accused "uses" merely describe a design/style or feature of clothing or clothing accessories, and therefore, are not unlawful but rather "fair use." *Second*, the term "navajo" -- when used to describe a category of design/style or feature of clothing or clothing accessory -- is today incapable of trademark protection because it has become a generic descriptor. *Third*, the Amended Complaint fails to allege facts with sufficient particularity to support the Plaintiffs' claim that the term "Navajo" is famous for any relevant product or that the Defendants' actions result in dilution.

A. The Lanham Act Counts (I, II and III) Should Be Dismissed Because The Factual Allegations Show "Fair Use"

Not every unauthorized use of a protected mark is actionable. *See Yankee Pub. Inc. v. News Am. Pub. Inc.*, 809 F. Supp. 267, 272 (S.D.N.Y. 1992). No infringement occurs when a defendant uses a plaintiff's trademarked terms or images descriptively, not as a mark, fairly and in good faith. 15 U.S.C. § 1115(b)(4); *see also KP Permanent Make-Up, Inc. v. Lasting Impressions I, Inc.*, 543 U.S. 111, 124 (2004)(classic fair use is when "the term is used descriptively, not as a mark, fairly, and in good faith."); *Hygrade Food Products Corp. v. H.D. Lee Mercantile Co.*, 46 F.2d 771, 772-773 (10th Cir. 1931)(affirming motion to dismiss and finding "High Grade" to be a descriptive fair use in connection with food stores).

“Classic fair use” is an affirmative defense to claims of trademark infringement, unfair competition and dilution. *See Rosetta Stone Ltd. v. Google, Inc.*, No. 10-2007, 2012 U.S. App. LEXIS 7082, *57 (4th Cir. Apr. 9, 2012) (holding that the Federal Trademark Dilution Act expressly excludes from its reach any “fair use” and citing 15 U.S.C. § 1125(c)(3)(A); *see also Arnold v. The Walt Disney Co.*, 06 Civ. 1747 (GBD), 2007 U.S. Dist. LEXIS 5802, *7 n. 5 (S.D.N.Y. Jan. 29, 2007)(observing that the fair use defense has been applied to claims under Sections 32(1) and 43(a)).

The allegations of the Amended Complaint acknowledge, albeit indirectly, that the term “navajo” is a descriptor for “Indian-styled” prints and designs that may include, among other things, “geometric prints.” *See* Amended Complaint Dkt. 30 ¶¶ 31 and 37. The Plaintiffs do not, and indeed cannot, challenge the well-established legal doctrine of “fair use” and its applicability to the term “navajo” in this case. In a license agreement between Diné and Navajo Jeans, dated September 2007 (submitted to the USPTO in connection with the prosecution of Trademark Serial No. 76/700,672, upon which the Plaintiffs rely in the Amended Complaint, Dkt. 30 ¶ 27), Diné acknowledged that “fair use” can be made of the term “Navajo” and that an example of such “fair use” would be “Navajo Style Goods.” *See* Ex. A.

To prevail on “classic fair use” within the context of a motion to dismiss, the Defendants must show that: (1) the Amended Complaint fails to allege sufficient facts to support Plaintiffs’ legal conclusion that the Defendants “used” the term “Navajo” as a trademark, (2) the Amended Complaint fails to allege sufficient facts to support Plaintiffs’ legal conclusion that the Defendants’ “use” of the term “navajo” was not descriptive of the goods or services of the Defendants, and (3) the Amended Complaint fails to allege sufficient facts to support the Plaintiffs’ legal conclusion that the “use” by the Defendants of the “navajo” term was neither

“fair” nor made in “good faith.” *See generally Coherent, Inc. v. Coherent Technologies, Inc.*, 736 F. Supp. 1055, 1061 (D. Col.1990)(reciting essential elements).

Numerous courts have found “classic fair use” when confronted with facts similar to those alleged in the Amended Complaint. *See e.g., Marcal Paper Mills, Inc. v. Scott Paper Co.*, 290 F. Supp. 43, 51-52 (D.N.J. 1968)(finding descriptive use of “camellia” in describing a shade of tissue); *Johnson Publishing Co. v. Etched-In-Ebony, Inc.*, 1981 U.S. Dist. LEXIS 17614, * 14 (D.D.C. 1981)(finding descriptive use of the term “ebony” in corporate name); *Western Publishing Co. v Rose Art Industries, Inc.*, 733 F. Supp. 698, 701(S.D.N.Y. 1990)(finding fair use of “golden” to describe the gold color of children’s writing slate), *aff’d on other grounds*, 910 F.2d 57 (2nd Cir. 1990); *Munters Corp. v. Matsui America, Inc.*, 730 F. Supp. 790, 801 (N.D. Ill. 1989)(finding fair use of “honeycomb” for advertising describing the shape of machine part).

A review of the factual allegations of the Amended Complaint reveals that the Lanham Act Counts should be dismissed for failure to state a claim because they fail to allege facts with particularity showing that, if accepted as true, the Defendants’ “use” of the term “Navajo” was made (1) to identify the source of the Defendants’ products, and (2) in “bad faith”. *See Hygrade Food Products Corp.*, 46 F.2d at 772-773 (10th Cir. 1931)(affirming motion to dismiss regarding use of “High Grade” as a descriptive fair use); *Hensley Manufacturing, Inc. v. Pro-Pride, Inc.*, 579 F.3d 603, 612 (6th Cir. 2009)(affirming dismissal of Lanham Act claims, pursuant to Fed. R. Civ. P. 12(b)(6), based on a finding of fair use as a matter of law determined from reviewing advertising and website attached to complaint); *Kelly-Brown v. Winfrey*, 11 Civ. 7875 (PAC), 2012 U.S. Dist. LEXIS 29695, *6-18 (S.D.N.Y. Mar. 6, 2012)(granting defendants’ Rule 12(b)(6) motion with respect to plaintiff’s Lanham Act claims because promotional materials attached to complaint showed the claims were barred by the fair use defense); *Arnold v. The Walt*

Disney Co., 06 Civ. 1747 (GBD), 2007 U.S. Dist. LEXIS 5802, *8-9 (S.D.N.Y. Jan. 29, 2007)(holding, after reviewing defendant’s advertising and website, that plaintiff failed to state a claim for trademark infringement because the “fair use” defense applied and granting defendant’s Fed. R. Civ. P. 12(b)(6) motion).⁶

Moreover, because the term “navajo” was used to describe not only the UO Defendants’ products, but a style/design used by the Plaintiffs, “nominative fair use” warrants dismissal of the Lanham Act allegations as well. The design is not readily identifiable without use of the term, the term is used only so much as is reasonably necessary to identify the design, and the Amended Complaint fails to allege that the Defendants have done anything else with the term to suggest incorrect sponsorship or endorsement. *See The New Kids on the Block v. New America Publishing, Inc.*, 1992 U.S. App. LEXIS 16678, *16 (9th Cir. 1992)(reciting elements).

1. The Factual Allegations Directed to the Urban Outfitters Defendants Show “Fair Use”

For purposes of this Motion, the Defendants are constrained to accept the allegations in the Amended Complaint, though many of them are untrue. Nevertheless, Plaintiffs’ own allegations, including in particular the Exhibits that are incorporated by reference into the Amended Complaint, make clear that all of the Lanham Act claims should be dismissed.

The Lanham Act factual allegations against the Urban Outfitters Defendants are shown in the Exhibits attached to the Amended Complaint at Exhibit A, Dkt. 30-1, pp. 2-24. None of the Exhibits show trademark or “source identifying” “use” of the term “Navajo”, and all of the Exhibits were ***deliberately cropped*** to omit important contextual “product detail” information

⁶ While not a “fair use” case, the court in *In re Colonial Mortgage Bankers Corp.*, 324 F.3d 12, 16 (1st Cir. 2003) found that an action can be dismissed on the basis of an affirmative defense when the facts that establish the defense are definitely ascertainable “from the allegations of the complaint, the documents (if any) incorporated therein, matters of public record, and other matters of which the court may take judicial notice” and the facts so gleaned conclusively establish the affirmative defense.

and as such *misrepresent* the content as it was actually reviewed by consumers. *See e.g.*, Dkt. 30-1, p. 14 (“Navajo Print Tank” Obey-branded top offered for sale by Urban Outfitters with no indication that the product was “put out” by the Navajo Nation); Dkt. 30-1, p. 10 (“Navajo Print Fabric Wrapped” flask offered for sale by Urban Outfitters with no indication that the product was “put out” by the Navajo Nation); Dkt. 30-1, p. 2 (“Navajo Tee” Deter-branded shirt/clothing offered for sale by Urban Outfitters with no indication that the product was “put out” by the Navajo Nation); Dkt. 30-1, p. 3 (“Navajo Surplus” Ecote-branded jacket/clothing offered for sale by Urban Outfitters with no indication that the product was “put out” by the Navajo Nation); Dkt. 30-1, p. 13 (“Navajo Painters” Obey-branded jacket offered for sale by Urban Outfitters with no indication that the product was “put out” by the Navajo Nation); Dkt. 30-1, p. 4 (“Navajo Wool Tote” Ecote-branded bag offered for sale by Urban Outfitters with no indication that the product was “put out” by the Navajo Nation); Dkt. 30-1, p. 5 (“Navajo Fringe Crossbody” Jeffrey Campbell-branded bag offered for sale by Urban Outfitters with no indication that the product was “put out” by the Navajo Nation); Dkt. 30-1, p. 6 (“Navajo Pullover” Lucca Couture-branded sweater/clothing offered for sale by Urban Outfitters with no indication that the product was “put out” by the Navajo Nation); Dkt. 30-1, p. 17 (“Navajo Weekender” Obey-branded bag offered for sale by Urban Outfitters with no indication that the product was “put out” by the Navajo Nation); Dkt. A, 30-1, p. 16 (“Navajo 5-Panel” Obey-branded cap offered for sale by Urban Outfitters with no indication that the product was “put out” by the Navajo Nation); Dkt. 30-1, p. 22 (“Vintage Men’s Navajo” Woolrich-branded jacket offered for sale by Urban Outfitters with no indication that the product was “put out” by the Navajo Nation); Dkt. 30-1, p. 20 (“Techno Navajo Quilt Oversized Crop” tee offered for sale by Urban Outfitters with no indication that the product was “put out” by the Navajo Nation); Dkt. 30-1, p. 18 (“Red Navajo

Plimsoll” sneaker offered for sale by Urban Outfitters with no indication that the product was “put out” by the Navajo Nation).

Importantly, none of the factual allegations in the Amended Complaint allege how or why any of the alleged “uses” of the term “Navajo” as depicted in any of the Exhibits were trademark “use” or why or how “bad faith” occurred. This is fatal to Plaintiffs’ claims. *See Ashcroft*, 556 U.S. at 681 (bare assertions of intent found legally deficient). Accordingly, Counts I, II, and III as directed to the Urban Outfitter Defendants should be dismissed.

2. The Factual Allegations Directed to the Anthropologie Defendants Show “Fair Use”

The factual allegations of the Amended Complaint directed to the Anthropologie Defendants also fail to show improper trademark “use” or “bad faith.” *First*, the only Exhibits attached to the Complaint directed to the Anthropologie Defendants are found at Ex. A, Dkt. 30-1, pp. 34-37, and, on the face of those exhibits is a statement that the products are not available. Thus, no “use” is shown, much less alleged. *Second, and more importantly*, the accused “use” of the term “Navajo Blossom” is plainly a descriptor of a type of design and not a source identifier directed to the Navajo Nation. Counts I, II, and III as directed to the Anthropologie Defendants should, therefore, also be dismissed.

3. The Factual Allegations Directed to the Free People Defendants Show “Fair Use”

The factual allegations of the Amended Complaint directed to the Free People Defendants also fail to show either improper trademark “use” or “bad faith.” *First*, all of the Exhibits show “use” of the term “navajo” as a descriptor of vintage (pre-owned) items originally from artisans who identify as Navajo Indian ethnically, racially or culturally. *See e.g.*, Dkt. 30-1, p. 27 (Vintage Handmade Navajo Necklace); Dkt. 30-1, p. 28 (Vintage Navajo Handmade Necklace); Dkt. 30-1, p. 29 (Vintage Navajo Cuff); Dkt. 30-1, p. 30 (Vintage Navajo Cuff); Dkt.

30-1, p. 31 (Vintage Navajo Handmade Cuff); Dkt. 30-1, p. 32 (Vintage Navajo Squash Necklace); Dkt. 30-1, p. 33 (Vintage Navajo Squash Necklace); *see also* Ex. J (Reich Declaration⁷)(items made by individuals who self-identify as Navajo Indian or are otherwise enrolled in the Navajo Indian Tribe).

Importantly, none of the factual allegations in the Amended Complaint contend – nor can they -- that the sale of items supplied by individuals who self-identify as Navajo Indian is unlawful under the Lanham Act. Just as a perfume maker who entitles her perfume “Paris” cannot use the Lanham Act to stop sellers of other perfumes from using the term “Paris” to identify the geographic origin of their perfumes, neither can the Plaintiffs use the Lanham Act to stop the sale of items originally sold by individuals who self-identify as Navajo Indian because the term describes the origin of the product. Also, particularly pertinent to this Motion, the Plaintiffs do not allege, and cannot allege, that any of the “vintage” items identified in the declaration of Ms. Reich, a copy of which the Plaintiffs received *prior* to the filing of the Amended Complaint, are not in fact made by individuals who self-identify as Navajo Indian.

Second, the alleged misconduct by virtue of the “internal” “Navajo” search results also fails to state a cause of action under the Lanham Act because there is no factual allegations in the Amended Complaint that search queries are made by individuals who are using the term “Navajo” to search for Plaintiffs’ goods.

Third, and finally, “use” of the term “Navajo Beauty” as shown in Ex. E., Dkt. 30-2, p. 25, was, as shown on the face of the Exhibit, made by a Free People customer operating under the name “indiehippiepixie” and, as such, does not constitute trademark “use” by the Free People Defendants, and, as acknowledged by Plaintiffs, is not the subject of the Lanham Act Counts of

⁷ The declaration of Ms. Reich was originally submitted as Exhibit C to the Motion to Dismiss. *See* Dkt. 16-3.

the Amended Complaint. *See* Amended Complaint Dkt. 30 at ¶ 40. Accordingly, Counts I, II, and III as directed to the Free People Defendants should also be dismissed.

B. The Term “Navajo” When Used In Connection With Clothing and Clothing Accessories Is Today A Generic Descriptor That Is Incapable Of Trademark Protection

The Lanham Act counts of the Amended Complaint also fail to state a cause of action because to prove trademark infringement, dilution, or unfair competition, the Plaintiffs must allege facts sufficient to show that today the term “Navajo” when used in connection with clothing is protectable. A term is not protectable if it is generic. A generic mark is one using the “common descriptive name for a type, genus, or class of goods, and such a mark is precluded from trademark protection under any circumstances.” *Miller Brewing Co. v. G. Heileman Brewing Co.*, 561 F.2d 75, 79-80 (7th Cir. 1977), *cert. denied*, 434 U.S. 1025 (1978) (“light-beer” held generic). Just as the term “Light Beer” is generic for a type of beer that is light in body or taste or low in alcoholic and caloric content, “Navajo” is today a generic descriptor for a particular type of design and style of clothing and clothing accessory.

Even if a term is initially protectable as a trademark, it may subsequently become generic.

If prospective purchasers have come to perceive a trademark, trade name, collective mark, or certification mark primarily as a generic designation for the goods, services, or business with which it is used, the designation is no longer eligible for protection

Restatement (Third) of Unfair Competition § 15 (Tent. Draft. No. 2, 1990). *See, e.g., Bayer Co. v. United Drug Co.*, 272 F. 505 (S.D.N.Y. 1921)(ASPIRIN became generic); *King-Seeley Thermos Co., v. Aladdin Indus., Inc.*, 321 F.2d 577, 579 (2d Cir. 1963)(THERMOS became generic).

Here, consumers, such as indiehippiepixie (See Amended Complaint Dkt. 30 Ex. E, Doc. 30-2, p. 25) perceive a category or type of clothing and clothing accessory that is designed or

styled in a particular way to be “Navajo.” Because the factual allegations of the Amended Complaint show that consumers identify certain styles of clothing and clothing accessories as “Navajo”, the term is, according to the allegations of the Amended Complaint, a generic descriptor. *See also*, Ex. B (May 5, 2010 Trend Report: Navajo Prints, Clever Alice Blog at <http://blog.cleveralice.com2010/05/trend-reprt-navajo-prints.html>)(“Unless any of you are living under a rock, you must have seen or heard about the newest trend that is hitting the streets, Navajo prints. ... The geometric, triangular patterns mixed with rich colors have a traditional and classic vibe.”; “are navajo prints the new plaid?”, “New fashion style: Navajo style is popular”, “Designers stamped their brands with sexy fringe, studs, suede, and Navajo accessories” and others), Ex. C. (“Lucky Brand Navajo Jeans”, “Calvin Klein flare navajo wash jeans” and others), Ex. D (“Nicole Richie in Isabel Marant Navajo Jeans” and others), Ex. E (“This season we’ll be channeling the boho Navajo trend”); Ex. F (“Navajo Blanket shirt” and others).

The fact that the term “Navajo” is today a generic descriptor is hardly surprising given the complete failure on the part of the Plaintiffs to police the term. The barebones allegation in the Amended Complaint that the Navajo Nation has invested substantial capital protecting the mark is in reality, according to the factual allegations of the Amended Complaint, limited to a single cease and desist letter sent to Urban Outfitters, Inc. in this case and a single cancellation proceeding initiated on November 17, 2010. *See* Amended Complaint Dkt. 30 ¶ 4. Despite the Plaintiffs’ legal allegation to the contrary, the factual allegations show no effort to police “use” of the mark at any time prior to the initiation of this lawsuit. At that point, it is too late. Once a “mark has entered the public domain beyond recall, policing is of no consequence to a resolution of whether a mark is generic.” *Pilates, Inc. v. Current Concepts, Inc.*, 120 F. Supp. 2d 286, 302 (S.D.N.Y. 2000) (holding that PILATES is generic for a method of exercise due to unpoliced

use); *see also Donald F. Duncan, Inc. v. Royal Tops Mfg. Co., Inc.*, 343 F.2d 655 (7th Cir. 1965) (holding that YO-YO became generic due to un-policed use).

C. Plaintiffs Fail To Allege Federal Trademark Dilution

Count II of the Amended Complaint purports to allege a claim for trademark dilution pursuant to Lanham Act §43 through acts of blurring and tarnishment. The statute provides in pertinent part that “the owner of a famous mark...shall be entitled to an injunction against another person who...commences use of a **mark or trade name** in commerce that is likely to cause dilution by blurring or dilution by tarnishment.” 15 U.S.C. § 1125(c) (emphasis added).

A prerequisite to a claim for dilution is that the plaintiff’s mark must be famous. A mark is famous if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark’s owner. 15 U.S.C. §1125(c)(2)(A). Thus, whether the name of the tribe is famous or not is not relevant. What is relevant is whether “Navajo” is famous as a source of relevant goods.

The Plaintiffs in this case allege the legal conclusion that “Navajo” is a famous mark. *See* Amended Complaint Dkt. 30 ¶ 1. To support this claim, the Plaintiffs allege that “[s]ince 1941, the Navajo Nation has marketed and retailed clothing, house-wares, and jewelry using the Navajo name and marks. Dkt. 30 ¶ 3. However, the trademark records attached to the Amended Complaint at Ex. D, Dkt. 30-2 pp. 10, 13 show, with factual particularity, that the Plaintiffs represented to the USPTO that the “Navajo” mark was, in fact, first used in connection with clothing such as shirts and jackets in 1995 and 2005 (depending on what type of clothing was covered).⁸ Moreover, nowhere in the Amended Complaint are facts pled with any particularity

⁸ Even the trademark registrations on which Plaintiffs rely are not probative of Plaintiffs’ actual date of first use. To the contrary, they are highly questionable and, in fact, may have been submitted for an improper purpose because inexplicably the specimens submitted to the USPTO for the express purpose of showing actual “use” show nothing more than photographs of labels unattached to any items of particular clothing. *See Ex.K.*

regarding the extent and geographic reach of the Plaintiffs' sales, advertising and publicity. For example, Plaintiffs do not allege that products have been sold in any particular states.

Dilution by "blurring" is defined by the pertinent statute as an association arising from the similarity between a mark or trade name and a famous mark that impairs the distinctiveness of the famous mark. 15 U.S.C. §1125(c)(2)(B) (emphasis added). As shown above, the Exhibits attached to the Amended Complaint confirm that the UO Defendants are using the term "navajo" – not as a mark -- but rather "fairly" to describe a style, design and/or type of fashion. On that ground alone, the dilution claim is fatally defective and should be dismissed.

In addition, the Amended Complaint fails to allege how the Defendants' use of "navajo" impairs the distinctiveness of "Navajo." Nor can it. Similar to the "use" being made by the Defendants, descriptive uses of the term "navajo" are rampant by third parties. *See* Exs. B-F. The consuming public and fashion industry are using the name ubiquitously to refer to a style or fashion. *See e.g.*, Exs. B-F. With this many third-parties using the term "navajo" in connection with clothing and clothing accessories that do not originate with the Plaintiffs, the consuming public does not associate the term "Navajo" today exclusively with Plaintiffs.

Also, "dilution by tarnishment" is an association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark. 15 U.S.C. §1125(c)(2)(C)(emphasis added). For tarnishment to exist there must be a "particularly unwholesome association" created by the defendant's use of the mark which go beyond matters that might simply be considered in poor taste. *See Jordache Enterprises, Inc. v. Hogg Wyld*, 625 F. Supp. 48, 57 (D. N.M. 1985), *affirmed*, 828 F.2d 1482 (10th Cir. 1987).

Plaintiffs allege that "Defendants' use of the term 'Navajo' in connection with products such as its 'Navajo Flask' is derogatory and scandalous." Dkt. 30 ¶ 63. Plaintiffs alleges that

such “use” is a tarnishment because “The Navajo Nation does not use the Navajo name and trademarks in conjunction with alcohol, or items with alcoholic connotations.” *See* Amended Complaint Dkt. 30 ¶ 63. The Plaintiffs rely on 86 trademark registrations (which greatly overstates the number of registrations actually owned by the Plaintiff) to show fame. A review of those file histories reveals that Registration No. 3759953 for the mark “Fire Rock Navajo Casino,” 3759954 for the mark “Fire Rock Navajo Casino & Design,” and Application Serial No. 85/627,575 for the mark “Northern Edge Navajo Casino” all purport to cover goods that include *shot glasses*. Accordingly, the Plaintiffs have registered and are using, and apparently intend to continue “using,” the name “Navajo” in connection with shot glasses, which have every bit the “alcohol connotation” as a flask. Moreover, unlike the Plaintiffs who have registered multiple trademarks containing the name “Navajo” in connection with shot glasses, Defendants merely used the descriptive phrase, “*Navajo Print* Fabric Wrapped Flask”, which was clearly used descriptively to indicate that the product was wrapped with a fabric of particular design. *See* Amended Complaint, Ex. A, Dkt. 30-1, p. 10.

The Plaintiffs also allege the legal conclusion that the Defendants are tarnishing the “Navajo” mark by selling “relatively low-quality products.” However, Plaintiffs’ own factual allegations as shown by the Exhibits attached to the Amended Complaint show that consumers are extremely happy with the Defendants’ products. In fact, the factual allegations of the Amended Complaint as shown by the Exhibits attached to the Amended Complaint show that all of the products reviewed by consumers received at least a 3-star ranking, with the vast majority of reviewers giving the accused products 4.5 or 5 stars out of 5 stars. *See e.g.*, Amended Complaint, Ex. A, Dkt. 30-1 (pp. 2-37).

Despite the Plaintiffs' further legal allegation that the parties' respective goods compete in many of the "same channels of trade"⁹, Dkt. ¶ 5, the Plaintiffs previously successfully argued the exact opposite. In order to obtain the trademark registrations on which they rely to assert trademark rights in the Amended Complaint, they told the USPTO that, unlike a "[R]egistrant's products [that] are available in mass production through retail outlets, . . . [their] goods have been handmade on the Navajo Indian Reservation in the American Southwest, and sold at outlets in and around the Navajo Reservation" and, [that] therefore, "the parties' respective goods travel in different channels of trade." *See* Response to Office Action for Serial No. 78883232, which matured into Registration No. 3846651, attached as **Ex. L**. Again, having obtained the trademark registrations on which they now rely, the Plaintiffs are estopped from asserting a contrary position.

In addition, the Plaintiffs have pled absolutely no facts to support the assertion that that the UO Defendants have used the mark "Navaho" spelled incorrectly. The Amended Complaint contains no allegations as to when or where such use had taken place or within what context. More generally, the Plaintiffs allege no facts as to why the term "Navaho" is now scandalous, other than to argue that it is a misspelling. Simply misspelling a word cannot be tarnishment. More generally, there is no factual or legal support that spelling the term with an "h" is in any way scandalous or likely to tarnish anything. Plaintiffs, themselves, allege in the Amended Complaint that "Navaho" was "long-thought to be an acceptable alternative spelling." *See*

⁹ Plaintiffs' attempt to "cure" the deficient factual allegations pled in the Complaint by pleading new legal conclusions in the Amended Complaint Dkt. 30 in response to the legal arguments presented in the Motion to Dismiss the Complaint Dkt. 16 again fails to remedy the defective pleading. *Compare* Complaint Dkt. 1 *with* Amended Complaint Dkt.30 at ¶¶ 4, 80 (adding legal conclusion that "Defendant's goods compete with goods produced by members of the Navajo Nation). The addition of mere legal conclusion does not cure the defective pleading. *See Ashcroft*, 556 U.S. at 679 (interpreting the pleading requirement to mean that legal conclusions must be supported by factual allegations).

Amended Complaint Dkt. 30 at fn 2. For any and all of the above listed reasons, Plaintiffs' dilution claim should be dismissed.

III. THE COMPLAINT FAILS TO ALLEGE A VIOLATION OF THE INDIAN ARTS AND CRAFTS ACT

Count IV of the Amended Complaint purports to allege violations of the IACA. The Amended Complaint fails, however, to allege how the Defendants' respective marketing efforts "falsely suggest" that their products are Indian produced, Indian products, or the products of a particular Indian, Indian tribe or Indian arts and crafts organization, when they are not.¹⁰ The Amended Complaint does not allege any facts from which a trier of fact could conclude that the Urban Outfitters Defendants have been deceiving customers into purchasing "fake" goods. The accused "clothing" and "clothing accessories" also plainly fall outside the scope of the IACA because they are not "arts or "crafts." Accordingly, Count IV of the Complaint should be dismissed.

A. The IACA Prohibits The False Suggestion That "Arts" and "Crafts" Are Indian Made, When They Are Not Indian Made

"The IACA is a truth-in-advertising statute aimed at ensuring that products marketed and sold as 'Indian' are actual Indian." *See Native American Arts, Inc.*, 754 F. Supp.2d at 388; 25 U.S.C. § 305, *et seq.* The IACA provides in pertinent part as follows:

A person ... may, in a civil action in a court of competent jurisdiction, bring an action against a person who, directly or indirectly, offers or displays for sale or sells a good . . . in a manner that falsely suggests it is Indian produced, an Indian product, or the product of a particular Indian or Indian tribe or Indian arts and crafts organization, resident within the United States.

25 U.S.C. § 305e(a).

¹⁰ It is telling that the Complaint never alleges that the Defendants ever told potential consumers that their products were "made by Native American Indians" or made by "Navajo Indians."

“Congress enacted the IACA in 1990 in response to concerns that a significant portion of the national market for “Indian” products was made up of counterfeit products, and that existing state and federal laws were ineffective in curbing the flood.” *See Native American Arts, Inc.*, 754 F. Supp.2d at 388 (citations omitted). “Congress concluded that the influx of fake Indian products had reduced demand for the real thing, driven down the price of authentic Indian wares, tainted consumer confidence in the integrity of the market, and dissuaded young Indians from learning and practicing time honored ways of artisanship that were important to cultural heritage.” *Id.* at 389. (citations omitted).

A private cause of action under the IACA looks to what the entire sales package, including advertising, labeling and place of sale suggest to the average consumer. *See Native American Arts, Inc. v. The Waldron Corp.*, 399 F.3d 871, 875 (7th Cir. 2005). A court must look at the totality of circumstances in order to determine whether a defendant is falsely suggesting that its products are Indian produced, an Indian product, or the product of a particular Indian tribe.

Of special importance to this case, the IACA only applies to “arts” and “crafts” not “clothing” or “clothing accessories.” The Department of the Interior promulgated regulations set forth at 25 C.F.R. 309.1 *et. seq.* (effective November 1996) entitled “Protection of Indian Arts and Crafts Products.” These regulations define the terms in the IACA:

The Act makes it unlawful to offer or display for sale or sell any good in a manner that falsely suggests it is Indian produced, an Indian product, or the product of a particular Indian, or Indian tribe, or Indian arts and craft organization resident within the United States. 25 C.F.R. 309.1

* * *

(d) Indian products. (1) In general. Indian products means any art or craft product made by an Indian. (2) Illustrations. The term “Indian product” includes, but is not limited to: (i) Art works that are in a traditional or non-traditional Indian style or medium; (ii)

Crafts that are in a traditional or non-traditional Indian style or medium; (iii) Handcrafts, i.e. objects created with the help of only such a device as all the manual skill of the maker to condition the shape and design of each individual product. 25 C.F.R. 309.2. (emphasis added)

The IACA does not preclude the sale of the UO Defendants' "contemporary clothing" or "contemporary clothing accessories" because they are neither "arts" nor "crafts" *See Native American Arts, Inc.*, 754 F. Supp.2d 386, 393 (D.R.I. 2010)("the pertinent regulation provides, 'the term "Indian product" means any **art** or **craft** product made by an Indian'")(emphasis added)(citing 25 U.S.C. § 305(e)(a)(2) and 25 C.F.R. § 309.2(d)(1)); *see also Native American Arts, Inc. v. Bundy-Howard, Inc.*, 168 F. Supp.2d 905, 912 (N.D. Ill. 2001).

The Plaintiffs are estopped from arguing otherwise. In order to overcome a trademark examiner's objection (and thereby obtain a Federal Trademark Registration for the mark "Navajo" for "clothing") on the precise grounds argued by the Plaintiffs in this Court, namely that "use" of the term "Navajo" on clothing might violate the IACA, the Plaintiffs correctly and successfully argued that "use" in combination with "clothing" would not violate the IACA because clothing items are not "art works, crafts, or handcrafts." *See Ex. H.*

**B. The Amended Complaint Fails To Allege Any Wrongdoing
On The Part Of The Defendants**

None of the allegations in the Amended Complaint support a cause of action under the IACA. *First*, as set forth above, the Amended Complaint is devoid of any allegation that the UO Defendants "used" the term "Navajo" to designate the origin on their products, unless the products are in fact originally from persons who self-identify as Navajo Indian or are otherwise enrolled in the Navajo Indian tribe. The Amended Complaint does not allege that salespersons have improperly told customers that the accused products are Indian made, when they are not. The Amended Complaint does not allege that information is provided to customers in the form of

point of purchase displays that indicates the accused items are Indian made, when they are not. The Amended Complaint does not allege that any television, radio, or print advertising suggests the accused products are Indian made, when they are not. The Amended Complaint does not allege that product hang tags suggest the accused products are Indian made. To the contrary, the Plaintiffs are engaging in serious gamesmanship by omitting contextual information from many of the Exhibits attached to the Amended Complaint that informs consumers that the depicted offerings were not made in the United States.

Furthermore, the Defendants cannot be found to have violated the Act through mere use of the term “tribal” or “native.”¹¹ Neither of these terms is barred by the IACA. There are, of course, tribes and natives in numerous countries and continents throughout the world, and neither the term “tribal” nor “native” falsely suggests American Indians living within the United States.

Finally, and importantly, as shown above in detail, none of the accused UO Defendants’ items that are not Indian made can be classified as an “art” or “craft”. *See e.g.*, Ex. A, 30-1, pp. 18 (sneaker), 19 (dress), 14 (top), 2 (shirt), 3 (jacket), 13 (jacket), 4 (bag), 6 (clothing), 12 (shirt), 16 (cap), 22 (jacket), 20 (tee), 21 (sock). These items are “contemporary clothing” and “clothing accessory items”, not “art” or “crafts.”

IV. PLAINTIFFS LACK STANDING TO ALLEGE A VIOLATION OF THE NEW MEXICO UNFAIR PRACTICES ACT

Count V of the Amended Complaint alleges that the Defendants have violated the New Mexico Unfair Practices Act (“UPA”). In order to have standing to bring a claim under the UPA, a plaintiff must be a “buyer” of the accused products. *See Guidance Endodontics, supra*, 708 F. Supp. 2d at 1256 (holding that the defendants lacked standing to bring a counterclaim

¹¹ Plaintiffs are engaging in further “gamesmanship” through the removal of the “tribal” and “native” Exhibits that were attached to the Complaint, Dkt. 1-7 at pp. 2, 6, 7, 14, 16 and 2, Dkt. 1-8 at pp. 1-4 in an effort to hide from this Court the factual allegations as shown in those exhibits that demonstrate conclusively that IACA claims as directed to use of the terms “tribal” and “native” are wholly without merit.

because they were not buyers of plaintiffs' products); *see also, Santa Fe Custom Shutters & Doors, Inc. v. Home Depot, U.S.A., Inc.*, 137 N.M. 524, 530, 113 P.3d 347, 353 (Ct. App. 2005) ("UPA gives standing only to buyers of goods and services."). The very nature of the New Mexico Unfair Practices Act, to protect consumers, implies that only a consumer should be able to take advantage of its protections. *See Guidance Endodontics v. Dentsly Int'l, Inc.*, 708 F. Supp.2d 1209, 1256 (D.N.M. 2012).

The Complaint is devoid of any allegation that the Plaintiffs are "buyers" of any of the Urban Outfitters Defendants' accused products. To the contrary, throughout the Amended Complaint, Plaintiffs repeatedly allege that the Urban Outfitters Defendants are "competitors." *See, e.g.*, Amended Complaint at ¶¶ 4, 7, 49, 61. Because Plaintiffs fail to allege that they are "buyers" of any of the accused products, the claim is deficient and should be dismissed.

V. PLAINTIFFS FAIL TO ALLEGE A CLAIM FOR VIOLATION OF THE NEW MEXICO TRADEMARK ACT §57-3B-15

The Plaintiffs have added a Count VI to the Amended Complaint for alleged violations of the New Mexico Trademark Act, §57-3B-15. Pursuant to the New Mexico Trademark Act §57-3B-15, a claim for violation of the Act arises when the plaintiff owns a mark that is famous in New Mexico and another's use of a mark commences after the trademark owner's mark becomes famous and such use causes dilution of the distinctive quality of the owner's mark. *Guidance Endodontics, LLC v. Dentsply International, Inc.*, 708 F.Supp.2d 1209, 1250 (D. N.M. 2010)(emphasis added).

As shown above, the factual allegations in the Amended Complaint fail to show, much less support, the legal allegation, that the Defendants have used the term "Navajo" as a "source identifier" or "trademark." For that reason alone, the Count should be dismissed. In addition, the Amended Complaint fails to allege the legal conclusion (or particular facts to show) that

“Navajo” is a famous mark in New Mexico, as nowhere in the Amended Complaint do the plaintiffs allege fame of the mark in New Mexico, shown by the duration or extent of advertising and publicity in New Mexico, the specific channels of trade for the goods with which the owner’s mark is used, or the degree of recognition of the owners mark in the channels of trade in New Mexico. *See Guidance Endodontics, LCC*, 708 F.Supp.2d at 1253-1254 (“The standards for famousness are somewhat different under New Mexico, as opposed to federal, law...” and ... “a link between the mark and the State seems essential to establish that the mark is famous for purposes of the New Mexico anti-dilution statute.”). This Count should, therefore, be dismissed.

CONCLUSION

For all the foregoing reasons, the Defendants respectfully request that their requests be granted in full.

Respectfully submitted,

BUTT THORNTON & BAEHR PC

/s/ Alfred L. Green, Jr.
Alfred L. Green, Jr., Esq.
Post Office Box 3170
Albuquerque, NM 87110
Phone: (505) 884-0777

H. Jonathan Redway, Esq.
Nicole M. Meyer, Esq.
DICKINSON WRIGHT PLLC
1875 Eye Street, N.W., Suite 1200
Washington, D.C. 20006
Phone: (202) 457-0160

Joseph A. Fink, Esq.
DICKINSON WRIGHT PLLC
215 S. Washington Square, Suite 200
Lansing, MI 48933
Phone: (517) 487-4711
Attorneys for Defendants

I HEREBY CERTIFY that on the 22ND day of June, 2012, I filed the foregoing electronically through the CM/ECF system, which caused the following parties or counsel to be served by electronic means, as more fully reflected on the Notice of Electronic Filing:

Brian L. Lewis
blewis@nndoj.org

Henry S. Howe
hhowe@nndoj.org

Karin Swope
kswope@kellerrohrback.com

Mark Griffin
mgriffin@kellerrohrback.com

/s/ Alfred L. Green, Jr.
Alfred L. Green, Jr.